

cc: Tom
Outgoing

From: <Ted_McDougall@blm.gov>
To: "Paul Baker" <paulbaker@utah.gov>
Date: 10/19/2010 1:56 PM
Subject: Re: Bond Escalation for Rim/Columbus

CC: <tommunson@utah.gov>
Paul,

As we discussed, because the operator is not asking for, and we are not proposing, a bond reduction I have no concerns. If, however, the operator should request a reduction in bond amount then I would recommend we do a more detailed analysis of actual reclamation costs, since last time it was done was in late 1980's.

Thanks,

Ted McDougall
Geologist
Bureau of Land Management
Monticello Field Office
Phone: 435-587-1512
Fax: 435-587-1518

"Paul Baker"
<paulbaker@utah.gov>
To
<Ted_McDougall@blm.gov>, "Tom
Munson" <tommunson@utah.gov>
10/18/2010 05:09 PM cc
Subject
Bond Escalation for Rim/Columbus

Ted and Tom--

I did a simple escalation of the bond for Rim/Columbus and came up with a figure of \$91,700 which is about \$21,000 less than we currently hold (see the attached spreadsheet). I used actual escalation figures from 2005 (the date of the last escalation) through 2010 then used our current escalation rate of 0.05% to project for the next five years. I also added their cost for demolition of the shop building and escalated it for five years.

My intention is to send them a letter saying the current bond is okay for another five years; I don't want to have them decrease the bond. Any concerns with this?

Paul Baker
Minerals Program Manager
Utah Division of Oil, Gas and Mining
801-538-5261
Fax 801-359-3940

[attachment "escalate-10182010.XLS" deleted by Ted
McDougall/SJFO/UT/BLM/DOI]